

**Instructions for the Preparation and
Submission of
Capital Project Requests
For State-Owned Facilities**



STATE OF MARYLAND

Robert L. Ehrlich, Jr., *Governor*
Michael S. Steele, *Lt. Governor*

DEPARTMENT OF BUDGET AND MANAGEMENT
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IMPORTANT CHANGES SINCE LAST DATE OF PUBLICATION

1. A new Form A is provided to combine information previously requested on Forms A, C, and E.
2. As noted above, the use of Forms C, E, and F2 have been discontinued.
3. Form F, Net Effect on Operating Budget of Agency, combines information previously reported on Forms F1 and F2. The revised Form F provides a consolidated report on the net impact of a proposed capital project.

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Section 1

GENERAL REQUIREMENTS CONCERNING CAPITAL PROJECT REQUESTS

I. INTRODUCTION

This section presents briefly some key requirements related to the submission of project requests to the Department of Budget and Management for consideration for inclusion in the annual capital budget and the five-year capital improvement program.

Forms must be filled out completely, in accordance with these instructions and with sufficient backup information to justify and support the project fully. Project requests may be returned as incomplete for the following reasons:

- (a) Forms not filled out completely,
- (b) Project not described adequately,
- (c) Incorrect statistical data,
- (d) Incorrect addition, and
- (e) Inconsistencies between forms pertaining to the same project.

II. BASIC STATUTORY REQUIREMENTS FROM THE ANNOTATED CODE OF MARYLAND

The Department of Budget and Management prepares the State's capital budget and five-year capital improvement program. The basic statutory requirements are in the State Finance and Procurement Article, Subsection 3-602, Annotated Code of Maryland. The major statutory requirements are:

- The heads of all State departments and agencies shall transmit to the Department of Budget and Management such information as may be required for the preparation of the capital improvement program.
- All requests for capital projects proposed for inclusion in the capital budget shall be submitted to the Department of Budget and Management not later than June 30th each year.
- A list of the capital improvements that will be funded from non-budgeted revenues or grants shall accompany the requests for capital projects.
- No capital appropriation shall be authorized for the design and preparation of preliminary plans and specifications unless the agency in question has submitted to the Department of Budget and Management, and received approval of, a part I and part II program describing in detail the purpose of the project for which the funds are being

requested and providing adequate justification for it.

III. CAPITAL IMPROVEMENT DEFINED

The Maryland Code classifies a capital improvement as one which shall have a useful life expectancy at least equal to the life of the bonds which finance it. The State of Maryland issues fifteen-year bonds, so improvements must have a useful life of at least fifteen years. For a more specific guide to projects that qualify as capital improvements, see Section 2 -- Capital Improvement Qualifications and Terminology. Project requests, which do not conform to the definition of a capital improvement will not be included in the capital budget or five-year capital improvement program.

IV. SUBMISSION OF AGENCY PROJECT REQUESTS

A. Introduction

To facilitate the filing of specific information and data on proposed capital projects, the Department of Budget and Management provides six standard forms.

CB Form A	--	"Capital Budget Request"
CB Form B	--	"Five-Year Capital Improvement Program: Summary of Agency Project Requests"
CB Form D1	--	"Survey of Private Uses of Tax Exempt Financing"
CB Form D2	--	"Private Use of Tax Exempt Financed Higher Education Facilities"
CB Form F	--	"Net Effect on Operating Budget of Agency"
CB Form G	--	"Equipment and Furnishings Request"
DGS CEW	--	"Cost Estimate Worksheet"

These forms are available in an electronic format and will be sent to agency contacts upon request.

B. Summary of Forms Used by the Office of Capital Budgeting

FORM A -- "Capital Budget Project Request"

This form should be submitted for each project the requesting agency proposes to include in the five-year capital improvement program. The form indicates the amount(s) and purpose(s) of the request as well as the amount(s) and purpose(s) of prior appropriations and future-year requests when relevant. A separate Form A must be submitted for each project, but similar work to be performed in several buildings at the same location (e.g., removing architectural barriers; rewiring; or installing sanitary, heating or fire protection facilities) may be submitted as a single project request. When

this is done, a detailed breakdown must accompany the request, showing the extent and cost of the proposed work in each building, and the total project cost for all buildings.

A cost estimate worksheet should be submitted with each Form A.

Form B -- “A Five-Year Capital Improvement Program: Summary of Agency Project Requests.”

This form summarizes projects requested in the capital budget for the next fiscal year and those projects planned for the four succeeding years. Projects should be listed on this form by fiscal year, and in order of priority. Projects requested in the annual capital budget should be listed first, followed by the projects planned for the following four years. This will result in a compilation of a proposed program of capital improvements for a five-year period.

Form D1 – “Survey of Private Uses of Tax Exempt Financing” (Excluding Higher Education Facilities)

This form is a questionnaire that is used to determine what percentage of a project qualifies as private activity. In order for a State bond sale to have tax exempt status under Internal Revenue Service regulations, no more than 5% of the bond proceeds from an individual bond sale can be for private use. This form should be completed for each capital project, excluding higher education projects.

Form D2 – “Private Use of Tax Exempt Financed Higher Education Facilities”

This form is a more detailed questionnaire on private use. The additional information includes a space breakdown for the facility and questions concerning research activities. This form should be completed for each higher education project.

Form F -- “Net Effect on Operating Budget of Agency”

This form is used to estimate the net increase or decrease in agency operating expenses, separated into thirteen categories, which will result from the execution of a capital project. This form should be completed for all projects requested in the agency’s five-year capital improvement program.

Form G -- “Equipment and Furnishings Request”

This form is used to list items of capital and operating equipment needed to make a new or renovated structure fully functional.

CEW -- "Department of General Services Cost Estimate Worksheet"

C. Basic Submission Requirements

The basic submission which is due on June 30th of each year should be organized into ten packets (an original and nine copies), each of which is to contain the following forms:

1. A copy of Form A for each project requested for inclusion in the next five-year capital improvement program. Each form A must be accompanied by a completed copy of a cost estimate worksheet for the project. Each Form A must also be accompanied by a copy of Forms F and either D1 or D2 (whichever is appropriate).
2. A copy of Form B, summarizing all of the projects included in the five-year capital improvement program.

It is important that the cost estimate for each project be as reliable as possible and take into account market conditions, escalation, contingencies and other relevant factors. Agencies are encouraged to contact Mr. Joseph Pitruzzella at DGS (410-767-4397) for assistance in the preparation of the cost estimate worksheet. The cost estimate must be updated annually until all construction funding has been appropriated.

Before these forms are submitted to DBM, they should be proofread to insure that the numbers for each project are consistent from one form to another.

The submission must include a letter signed by the agency head, which states the total amount of the agency's annual capital budget request. The signature of the agency head is not required on the individual forms.

D. Other Submission Requirements

The following materials must be submitted as a part of the process for approving and financing capital projects, except those projects, which consist solely of the acquisition of real estate. If the materials were not previously submitted with a part I program, they must be included with a project request submitted for the first time for inclusion in the capital budget or five-year capital improvement program.

1. Each request must be accompanied by a copy of an environmental assessment form, and if necessary, a copy of an environmental effects report. Once these forms have been submitted they do not need to be submitted each year, unless conditions change. Copies of these forms must also be submitted to the State Clearinghouse at the following address:

State Clearinghouse
Maryland Department of Planning
301 W. Preston Street
Baltimore, MD 212201-2365

2. Each request for a project that involves the disturbance of 40,000 square feet or more of land area must be accompanied by the evaluation of the Department of Natural Resources as to the reforestation requirements that may apply. Contact information:

Department of Natural Resources
Forest, Wildlife and Heritage Service
Tawes State Office Building, E1
580 Taylor Avenue
Annapolis, MD 21401
410-260-8590

3. Each request for a project that will be located within a Chesapeake Bay Critical Area must be accompanied by: 1) proof of consultation with the Chesapeake Bay Critical Area Commission and of the fact that the agency is considering Critical Area-related impacts as required under COMAR 27.02.05 of the regulations; and 2) a copy of the Commission comments and responses on the project. Commission approval will be needed for projects in the Critical Area prior to the stages noted in 27.02.05.2B of the regulations. Contact information:

Department of Natural Resources
Chesapeake Bay Critical Area Commission
Tawes State Office Building
580 Taylor Avenue
Annapolis, MD 21401
410-260-3460

4. Each request for a project that would affect the State's historical and/or cultural resources must be accompanied by the recommendations of the Maryland Historical Trust regarding the potential for adverse effects on properties listed in or eligible for the Maryland Register of Historic Properties, or by a report on the status of the Trust's review of the project. Contact information:

Department of Housing and Community Development
Maryland Historical Trust
Office of Preservation Services
100 Community Place
Crownsville, MD 21032
410-514-7629

5. Each request for a project that will result in the construction of a new facility or building must be accompanied by a copy of the Project Consistency Report filed with the Maryland Department of Planning as required by the Planning Act of 1992 (State Finance and Procurement Article, Subsection 5-7A-02, Annotated Code of Maryland). Once these forms have been submitted they do not need to be submitted each year, unless conditions change. Contact information:

Maryland Department of Planning
Plan and Project Review
301 W. Preston Street, 11th Floor
Baltimore, MD 21201
410-767-4490

V. SUBMISSION OF PROGRAMS FOR CAPITAL PROJECTS

In fulfillment of the legal mandate that programs be submitted and approved for each capital project for which funds are requested, the following applies:

- A. A part I program justifying and describing the scope of the project must be submitted by June 30th of the calendar year the project is being requested for inclusion for the first time in the five-year capital improvement program.
- B. A part II program containing project requirements in the level of detail needed to hire an architectural/engineering firm must be submitted by March 1st of the calendar year in which a request for design funds will be submitted for inclusion in the capital budget. A part II program is not required when the project consists solely of the acquisition of real estate.
- C. If design funds are being requested for a project for the first time in the next fiscal year's capital budget and a part I program has not been previously submitted, both part I and part II of the program should be submitted on or

before March 1st of the calendar year in which the request for design funds will be submitted.

- D. If preliminary design funds are requested in the next fiscal year's capital budget and a part I program has been previously submitted, the agency should submit a document on or before March 1st that verifies or updates the part I program data used to plan the project.
- E. Instructions for part I and part II programs are available from either the Department of Budget and Management or Department of General Services.

IV. PROJECTS THAT SHOULD NOT BE SUBMITTED TO THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)

The following types of project requests should not be submitted to DBM but should be submitted to the agency indicated.

- A. Maintenance/repair projects whose total cost (design, construction, and equipment) is more than \$100,000 but less than \$1 million should be submitted to the Department of General Services, Office of Facilities Planning, Engineering and Construction (this instruction does not apply to institutions of higher education). Contact information:

Department of General Services
Office of Facilities, Planning, Design & Construction
301 W. Preston Street, 14th Floor
Baltimore, MD 21201
410-767-4214

- B. Projects involving the retrofitting or replacement of cooling units which currently use CFC's should be submitted to the Department of General Services, Office of Facilities Planning, Engineering and Construction. Contact information:

Department of General Services
Office of Facilities, Planning, Design & Construction
301 W. Preston Street, 14th Floor
Baltimore, MD 21201
410-767-4214

- C. Projects whose sole purpose is the provision of accessible facilities for the disabled should be submitted to the Governor's Office for Individuals with Disabilities.

Contact information:

Office of Individuals with Disabilities
One Market Center Box 10
300 W. Lexington Street
Baltimore, MD 21201
410-333-3098

- D. Projects whose sole purpose is the abatement of asbestos hazards in facilities should be submitted to the Department of General Services, Office of Facilities Planning, Engineering and Construction. Contact information:

Department of General Services
Office of Facilities, Planning, Design & Construction
301 W. Preston Street, 14th Floor
Baltimore, MD 21201
410-767-4214

- E. Projects involving the replacement of underground storage tanks should be submitted to the Department of General Services, Office of Facilities Planning, Engineering and Construction. Contact information:

Department of General Services
Office of Facilities, Planning, Design & Construction
301 W. Preston Street, 14th Floor
Baltimore, MD 21201
410-767-4214

- F. Projects whose primary purpose is to reduce the consumption of energy in order to decrease the expense of operating a facility, to renovate or expand a heating or cooling plant, or to acquire a piece of equipment which is a major consumer of energy, should first be submitted to the Maryland Energy Administration (MEA) as part of the submitting agency's Energy Conservation Master Plan that is required by Chapter 490 of the Acts of 1992. The MEA will review the project to determine the best means of financing it. If the MEA decides that a project cannot be financed by any means other than State capital funding the project can be submitted to DBM as a capital project

request. Contact information:

Maryland Energy Administration
1623 Forest Drive, Suite 300
Annapolis, MD 21403
410-260-7655

Requests to each of the above agencies should be submitted in time for these agencies to prepare and submit a consolidated request to DBM by June 30th. Each year these agencies, as appropriate, should be contacted to determine their deadline for the submission of requests.

Finally, capital projects whose total cost (design, construction, and equipment) is less than \$100,000 should be undertaken with operating budget funds.

Section 2

CAPITAL IMPROVEMENT QUALIFICATIONS AND TERMINOLOGY

The Department of Budget and Management has developed this material to assist State agencies in determining those types of projects which are eligible for funding through the Capital Budget regardless of a fund source. This section also provides a definition of the terms most commonly used in conjunction with capital improvement projects.

The State Finance and Procurement Article, Subsection 8-127, Annotated Code of Maryland states that the useful life of a capital improvement shall be at least equal to the life of the bonds by which it is financed. State capital projects are usually financed by general obligation bonds that, by constitutional provision, must be amortized within a fifteen-year period. **Thus, to qualify for State capital funds, a proposed project or its equipment must have a useful life expectancy of at least 15 years or more.**

I. PROJECTS THAT QUALIFY FOR STATE CAPITAL FUNDS

A. Real Property Acquisition:

Acquisition of any freehold, fee or leasehold interest in land including structures and fixtures located on the premises.

B. Design and Preparation of Plans and Specifications:

1. Includes the physical design of a project, prior to bidding a construction contract, and services required of an architect/engineer during the construction and post-construction stages.
2. Design funds are normally requested one year prior to the time the construction appropriation is to be requested. For projects whose total cost is expected to exceed \$10 million, the design funds should be requested two years before the construction appropriation. For very complicated projects, the design request must be phased over two years. In such cases, preliminary planning funds are requested the first year and detailed planning funds the second year. These terms are defined on the following page. Normally 45% of design funds for projects over \$10 million should be requested in the first year with 55% in the second year.

3. Preliminary planning includes the preparation of a site plan, floor plan and outline specifications for architectural, structural, site improvements, civil, mechanical and electrical work, and it clearly defines the components of each of the systems and the materials intended to be used on the project, including cost estimates. For further details, see the Procedures Manual for Professional Services, Department of General Services.
4. Detailed planning includes the preparation of all contract documents such as detailed site plans, floor plans, excavations, specifications, etc., necessary for the construction of the project. For further details, see the Procedures Manual for Professional Services, Department of General Services. It also includes the services required of an architect/engineer during the construction and post-construction stages.

C. Construction

A construction project is a single undertaking involving construction applicable to one or more real property facilities or structures. Construction includes all work necessary to accomplish a specific purpose and produce a complete and usable new facility or a complete and usable improvement to an existing facility, and the associated architectural work and other technical requirements. A construction project may include one or more of the following:

- the erection, installation, or assembly of a new facility;
- the addition to, alteration, conversion, expansion, relocation, renovation, or restoration of an existing facility or structure;
- the installation, extension, or replacement of utility systems;
- the fixed equipment installed and made part of a facility;
- site development and improvement.

Construction may include “self-help” projects accomplished using agency employees under certain approved conditions and situations advantageous to the State. However, capital funds may not be used to pay any operating expenses associated with a self-help project, including wages and salaries of permanent employees.

The actual physical construction phase of a capital improvement project must be preceded by the preparation of both preliminary and detailed plans and specifications.

Specialized categories of construction are defined as follows:

1. Addition/Expansion/Extension:

The physical increase to a real property facility/structure, which adds to its overall external dimension.

2. Alteration:

- (a) The work required to transform the interior space arrangement and other physical characteristics of an existing facility or relocation within a facility so that it may be more effectively utilized for its presently designated functional purpose.
- (b) No facility should be considered for alteration until it has been in use for at least 15 years, except when required to make the facility usable; to meet State or federal codes, regulatory or licensing requirements; or when major priorities have changed or new programs have been implemented.

3. Conversion:

- (a) The work required to transform the interior arrangement and other physical characteristics of an existing facility so that it may be effectively utilized for a new functional purpose. This includes the utilities and fixed equipment installed on and made part of the facility.
- (b) Adjustment of exterior space arrangement is normally considered to be an Addition/Expansion/Extension and is not normally included in conversions; however, the addition of a small amount of circulation and/or mechanical space to the exterior of a building to meet code requirements is permissible with the approval of DBM and DGS.

4. Relocation:

- (a) The movement of a facility from one site to another, either intact or by disassembly and subsequent reassembly. A new foundation may be constructed at the new location as part of the project. This category includes movement of utility lines, but excludes relocation of roads, pavements or similar facilities.

When a facility is relocated on another site and the new facility consists primarily of new components, the project is considered a replacement

rather than relocation.

- (b) Relocation of two or more facilities resulting in a single facility will be considered a single project.

5. Renovation:

- (a) The work required to restore and modernize most or all of a facility or an existing mechanical system in order that the facility may be effectively utilized for its designated functional purpose or to comply with current code requirements.
- (b) Renovation normally is required as a result of general deterioration and obsolescence due to age, deferred maintenance, original faulty construction, or damage from natural disasters and may be funded as a capital improvement project in these cases when the cost of the project is \$100,000 or more and it cannot be accommodated in the agency operating or special fund budget.
- (c) The primary difference between renovation and alteration is that alteration involves significant modification to a facility's interior space arrangements while renovation does not.
- (d) Generally, no facility should be considered for renovation until it has been in use for at least 15 years, except when such work is necessary to meet State or federal codes, regulatory or licensing requirements, or to correct major basic faults originally incorporated into the facility.

6. Replacement:

- (a) A complete reconstruction of a facility, or a complete mechanical or utility system. The original building or mechanical or utility system must be beyond the point where it can be economically repaired or renovated and it can no longer be used for its designated purpose. Certain conditions, such as age, hazardous conditions, obsolescence, structural and building safety conditions or other causes, may contribute to the need to replace a building or system. The reconstruction of minor components of a mechanical or utility system is considered maintenance/repair, rather than replacement.
- (b) A facility should not normally be considered for replacement until it has been in use for at least 40 years.
- (c) Replacement will normally be allowed as a capital improvement project

only when a facility cannot be cost-effectively renovated or repaired.

7. **Restoration:**

The work required to bring back a facility, to the maximum extent possible, to its former or original state. Normally, restoration will involve historic properties. In these cases, the Maryland Historical Trust should be consulted.

8. **Site Development and Improvements:**

Includes such items as: grading and installation of drainage facilities; construction of new roads, walks, parking areas, retaining walls, recreational areas, fences and similar improvements; standard and essential landscaping; street or other outdoor lighting.

9. **Utilities:**

Includes the installation, extension or replacement of systems for the provision of sewer, water and electrical service; power plant facilities and appurtenances; heating, ventilating and air conditioning; fire escapes, sprinklers and automatic fire alarms, and telecommunications. Refer to Section 3-I-B- (9) for more detail on eligibility of telecommunication systems and associated control systems.

D. Initial Equipment and Furnishings:

1. Items of initial equipment and furnishings will be eligible for funding as a capital improvement only if they meet the following general conditions:

- (a) Have a life expectancy of at least 15 years with normal maintenance,
- (b) Are of durable construction,
- (c) Are heavy enough to preclude theft or easy removal from the facility by an individual (chairs excepted),
- (d) Are unlikely to be replaced because of technological obsolescence prior to 15 years from date of acquisition, and
- (e) Are not intended to replace similar items already on hand.

2. Initial equipment and furnishings include only those items which, after taking into account all usable equipment currently on hand, must be placed in the facility to accommodate the functions for which the facility has been programmed and designed. Those items more appropriate for outdoor use and which normally would not be used inside a facility are not eligible for funding as capital equipment.
3. The items must not be elaborate or extravagant. Review will be guided by the reasonableness of the cost of the item, its durability, and its appropriateness for the intended level and type of use. State Use Industry products must be specified whenever possible (State Finance and Procurement Article, Section 14-103, Annotated Code of Maryland).
4. If the project is a conversion of, or an addition to an existing facility, only those items of equipment and furnishings required to support the new or added function are authorized.
5. Initial equipment and furnishings associated with alteration, relocation or renovation of an existing facility will not normally be eligible for capital funding. Since these types of projects are related to existing functions, it is expected that existing equipment will be utilized. Replacement equipment is not eligible for capital funding.
6. Generally, information technology items that are integral components of building systems (utilities, telecommunications) should be purchased as part of the construction contract, rather than as individual equipment and furnishings. These items should be shown as construction on the budget forms.
7. Certain other information technology equipment also is eligible for capital funding. Examples include system control equipment that is located in a central control room, and equipment and wiring located in wiring closets throughout the building. Information technology items purchased separately from the construction contract should be shown as equipment.

II. PROJECTS THAT DO NOT QUALIFY FOR STATE CAPITAL FUNDS

- A. Master plans, feasibility studies, alternative project proposals, or the development of programs required as a prerequisite to the authorizing of funds for the preparation of plans and specifications.
- B. Payment of salaries or wages of State employees for work performed directly in conjunction with an authorized capital improvement project. This includes the preparation of plans and specifications.

- C. Capital improvements for auxiliary enterprise programs in the public four-year institutions of higher education. These are to be funded from program revenues unless State capital funds are specifically authorized by the Governor and General Assembly.
- D. Interim or temporary accommodations or equipment while another facility is being renovated. However, equipment may be prepurchased if it is to be moved and reused in the renovated facility.
- E. Maintenance/repair projects, except as noted in subsection 4 below:
 - 1. Maintenance is the recurrent day to day, periodic (i.e., weekly, monthly, annual) or scheduled work required to preserve or maintain a facility or system in such a condition that it may continue to be effectively utilized for its designated purpose during its life expectancy. Maintenance includes work undertaken to prevent damage to a facility or system which otherwise would be more costly to restore, or work to sustain existing components of a facility or system. Construction of new maintenance sheds or buildings, and extension or expansion of utilities are excluded from this definition.
 - 2. Repair is the work required to restore a facility or system to such a condition that it may continue to be appropriately and effectively utilized for its designated purpose by overhaul, or replacement of constituent parts or materials which have deteriorated by action of the elements or wear and tear in use. This includes the correction of conditions, which adversely affect the use of a facility for its designated purpose due to non-conformance with prescribed standards and codes, except for major changes necessary to cover newly mandated accreditation or certification requirements.
 - 3. The following are examples of maintenance/repair projects:
 - (a) Painting, decorating, caulking, repainting, or treatment of masonry and other surfaces;
 - (b) Replacing or repair of wall or floor tiles, shingles or siding, and roofs;
 - (c) Sealing asphalt surfaces, ditching, replacement of gutters and curbs, patching or resurfacing roads;
 - (d) Replacement or repair of sprinklers and automatic alarm systems (exceptions may be allowed for major projects);

- (e) Replacement or repair of components, elements or units of an elevator or escalator;
 - (f) Replacement or repair of plumbing, sanitary facilities, or the pre-heat, reheat, and chilled water coils or other components of a heating, ventilating and air conditioning system (exceptions may be allowed for major projects); and
 - (g) Replacement or repair of components of lighting and electrical systems.
4. Maintenance/repair projects estimated as costing between \$100,000 and \$1 million may be undertaken with capital funds under circumstances to be determined by the Department of General Services and the Department of Budget and Management. See section 1-VI-A for instructions on requesting funds for these projects.

Section 3

EQUIPMENT ACQUISITION GUIDELINES

I. DETERMINATION OF ELIGIBILITY OF ITEMS FOR ACQUISITION WITH STATE CAPITAL FUNDS

A. Subsection 8-127 of the Finance and Procurement Article, Annotated Code of Maryland, requires that the useful life of an improvement shall be at least equal to the life of the bonds by which the bonds by which it is financed finance it. The words “useful life” imply that the improvement, in this case an item of capital equipment, must remain fully functional during the 15 year period. An item will not remain fully functional if it (i) breaks easily, (ii) can be easily stolen, (iii) becomes obsolete due to advances in technology, or (iv) ceases to function due to the conditions under which it is used. The need to replace or repair individual parts over the 15 year period, or even to perform a major overhaul to restore full functioning, will not necessarily disqualify an item for purchase.

B. Determining whether or not an individual item of equipment is eligible for purchase with capital funds is not an exact science. The following are some of the criteria used in making a decision:

(1) Durability

- a. How likely is the item to become unusable due to breakage, either because of the nature of the material, e.g. glass or because of the manner in which the item would be used?
- b. How would the manner in which the item would be used affect its durability? For example, an item which would last for 15 years with normal use may not do so if it is subjected to heavy or abusive use, e.g. power tools designed for home use will usually not last 15 years when used for commercial or industrial purposes. However, an industrial model of the same item, which meets the other criteria for eligibility, would be considered eligible.

(2) Obsolescence

- a. An item expected to become obsolete in less than 15 years may determine its eligibility. It may become partially or totally obsolete.

- b. Total obsolescence may result from such rapid changes in technology that an item no longer has any value for either producing goods or services or for instructional purposes. Computers are a prime example of this. It may also result from the marketing policies of manufacturers who change the design of their products frequently and stop providing replacement parts and services for their older models.
- c. Partial obsolescence may result when an item is replaced in its business or industrial application by a similar, more cost-effective item but remains useful in teaching students the basic techniques or processes which they will need in order to gain employment in that business or industry. If the item is likely to remain valid for teaching purposes over 15 years, it may be determined to be eligible.

(3) Likelihood of theft

- a. An item may be easy to steal, attractive to steal, or both.
- b. Items of small size and light weight are considered to be easy to steal.
- c. Items, which are in widespread use in society as a whole and are in demand, such as TV sets and office machines are considered to be attractive to steal.
- d. Items such as hand tools, small pieces of electronic equipment, and cameras, are considered to be both easy and attractive to steal.

(4) Items normally included in the construction contract

Many individual items, which are provided as part of a construction contract, are not considered to be eligible as movable capital equipment.

For example, lighting fixtures, wiring, and carpeting, are not eligible as capital equipment because a contractor during the construction process should install them.

(5) Eligible items with non-capital components

DBM recognizes that many eligible items include components, which would not be eligible if listed as separate items. This is especially true of items of high cost scientific equipment, which are equipped with computers. In general, if the major portion of such an item is determined to be eligible and the ineligible components are an integral part of the item and are included in its unit price, the entire item will be considered eligible. However, capital funds will not be provided for the replacement of any components during the life of the item.

(6) Grouping of ineligible items into systems

Items which are ineligible as movable capital equipment may become eligible for capital funding when grouped together as a system which can be installed under the construction contract or by means of a separate contract. Examples of this are distance learning centers and language laboratories. Not all of the items in the system may be eligible, and those, which are not, must be paid for from a non capital fund source. Computers and associated data processing equipment cannot be grouped together into a system by themselves because none of these items are eligible.

(7) Items considered to be elaborate or excessive in cost

Items used in equipping a facility, especially furniture, should be adequate for their purpose but not elaborate or excessive in cost. In determining whether an item exceeds the level of adequacy or cost, similar items produced by State Use Industries (SUI) will be used as a guide. If the item is not made by SUI, the range of the prices for similar items made by private manufacturers will be used.

An agency which desires to acquire items of furniture having a high unit price due to their intricate design, use of expensive materials, or the prestige of their manufacturer in order to impress visitors, prospective employees or students should use a fund source other than State capital funds.

(8) Restrictive specifications

Under Section 14-103 of the Finance and Procurement Article, Annotated Code of Maryland, both State and State-aided agencies are required to purchase from State Use Industries any items, which it can provide, even though the item may be less expensive when purchased from a private vendor. Items, which SUI cannot provide, will be obtained through competitive bidding. In requesting equipment, the specifications for individual items cannot under most circumstances be made so restrictive as to preclude all but one manufacturer from meeting them. The specifying of proprietary systems should be avoided if at all possible, since such systems are usually more expensive to acquire, to maintain, and to modify when necessary in response to changes in operating conditions or assigned missions.

(9) Telecommunications equipment

The design and installation of telecommunications systems and equipment is generally eligible for capital funding for that portion of the system between the point of connection outside the building and the wall or floor outlets in user spaces. The point of connection is defined as the point on or near the exterior walls at which the cable carrying the electronic signals to the building is connected to the interior distribution system. Items eligible for capital funds may include common equipment such as an electronic private branch exchange (PBX), fiber optic or copper vertical riser distribution cables, cable termination equipment and related wiring in wiring closets on each floor, and wire connecting the wire closet terminations to the wall jacks or other outlets to which telephone stations and computers will be connected. It should be noted that all such items should normally be designed and installed as a system during the construction phase of the project, rather than being acquired as capital equipment. The user equipment, which is to be connected to those outlets, is generally an operating budget expense. It includes such items as telephone stations, personal computers, modems, and video recorders.

C. Based on the foregoing criteria and past experience, the following categories of equipment, with representative examples, do not qualify for funding from the capital budget:

- (1) Office machines and equipment used in preparation of papers or data -- typewriters; computers, printers, and other computer peripherals, including software; calculators; dictaphones; fax machines; copying machines; and other similar equipment.

- (2) Household furnishings -- mattresses, pillows, rugs, mats, pads, curtains, draperies, pictures, statuary, folding screens, and similar furnishings, including interior decorating items susceptible to the influence of style and frequent turnover.
- (3) Small household furniture, equipment and accessories -- coat trees, folding chairs and tables, canisters, wastebaskets, trashcans and receptacles, paper roll dispensers, ironing boards, magazine racks, foot stools, dishes, pans, silverware and glasses, desk sets, ladders, washing machines, dryers, refrigerators, ovens, stoves, fryers, griddles, hot plates, warmers (including hot food loaders), scales, pegboards, lamps, grills, toasters, electronic irons, clocks, vacuum cleaners, scrubbers and floor polishers, bulletin boards, chart racks, planter boxes, movable chalk boards, towel and cloth racks not built into the structure and similar furniture, equipment and accessories.
- (4) Small items of electrical and electronic equipment, machinery -- small power tools, electric fans, movable air conditioning units, paint sprayers and paint mixers, welding machines, movie and slide projectors and portable screens, film splicers, slide viewers, audiovisual aids, compact disc players, video cassette recorders, record players, television sets, radios, stereo systems, portable paging systems, and similar machinery and appliances.
- (5) Major medical equipment and medical instruments -- ophthalmoscopes, cystoscopes, otoscopes, oxygen tents, porta-lifts, bath lifts, cardiac arrest units, autoclaves, blood volume machines, serological baths, cryostat microtome units, ultra-violet lamps, resuscitators, inhalators, suction devices, refraction machines, eye charts, EEG and EKG machines, X-ray equipment, CAT Scan and MRI equipment, anesthesia units, obstetrical apparatus, whirlpool baths, and similar equipment. Exceptions may be allowed for extraordinarily expensive items over \$20,000 if the useful life expectancy is more than 15 years.
- (6) Professional, scientific and controlling instruments -- photographic and optical equipment such as spectrophotometers, colorimeters, catheterization trays, fluoroscopes, microscopes, oscilloscopes, balance scales, recorders, lenses and binoculars. Exceptions may be allowed for extraordinarily expensive items over \$20,000 if the useful life expectancy is more than 15 years.
- (7) Glass and glass products -- flat, blown or pressed glass products -- distilling apparatus, beakers, vials, test tubes, slides, basins, lamps, chinaware, dishes, mirrors, glass-top tables, and similar products.

- (8) Game tables and boards -- bowling games, shuffleboards, billiard/pool tables and equipment, ping-pong tables and game tables.
 - (9) Vehicular and motorized equipment -- automobiles, trucks, boats, cleaning trucks, food trucks, heated or refrigerated tray trucks, dumpsters, fork lifts, farming equipment, trailers or carts, wheel chairs, wheeled carts for maintenance use, and similar equipment.
 - (10) Supplies and materials -- blankets, sheets, pillow cases, table linens, janitorial supplies, laboratory supplies, medical products, altarware, candle holders, books, flags and bunting, audio-visual recorders and tapes, small hand tools, tool boxes, office supplies and similar supplies and materials.
- D. The above list of equipment is not to be considered all-inclusive. Each item will be examined individually against the criteria set forth in Section 2-I-D-1.

II. CAPITAL AND NON-CAPITAL EQUIPMENT APPROVAL PROCEDURES

A. Submission of Equipment Lists:

A single consolidated equipment list of all equipment an agency believes necessary to furnish and initially operate a facility shall be submitted to the Department of Budget and Management on locally reproduced copies of the attached equipment and furnishings request form (Form G) no later than June 30 of the year in which construction funding is being requested. An additional listing shall accompany the consolidated list to show the planned room-by-room use of the requested capital equipment. The item description shall include dimensions, weight, materials and catalog references to the extent available. State Use Industries should be contacted for assistance in determining current items of manufacture and their cost. Unit and total cost columns shall reflect the current (as of submission date) net anticipated cost for purchasing the equipment (catalog price less any discounts offered to the State or its agencies).

B. Equipment List Review and Approval:

- 1. An item approval number will be assigned by DBM during its review and approval process. The item approval number is composed of three elements:
 - (a) Fund Source - C for capital equipment funds to be included in the annual State budget, or O for other funds available to the agency.
 - (b) Page Number of the consolidating listing.

- (c) Item Number on that particular page, for example, C-03-24 means an item to be purchased with capital funds that is item 24 on page 3 of the approved listing.
- 2. A final, approved, consolidated listing of equipment for the facility will be furnished to the submitting agency by DBM.
- 3. DBM may add an appropriate inflation factor to the approved equipment list totals based on expected inflation rates.
- 4. The submitting agency's capital and operating budget requests for initial equipment and furniture should be consistent with the results of the above review.

Section 4

INSTRUCTIONS FOR COMPLETING AGENCY

PROJECT REQUEST FORMS A, B, D1, D2, F, G, AND DGS CEW

These instructions have been prepared to assist agencies and institutions in filling out capital budget forms A, B, D1, D2, F, and G, furnished by the Department of Budget and Management, and the Department of General Services Cost Estimate Worksheet (CEW).

Blank copies of each form and samples of completed copies of each form are included in appendix A and B.

I. FORM A -- ANNUAL CAPITAL BUDGET PROJECT REQUEST

- A. Form A is used to request funding for a project in the capital budget.
- B. Information requirements (keyed to item numbers on the form)
 - 1. Self-explanatory.
 - 2. Insert the name and phone number of the person who should be called if there are any questions about the form or the project.
 - 3. Self-explanatory.
 - 4. The project title should start with a noun and describe the major activity to be accomplished, such as “New Administration Building,” “Smith Hall Renovation,” “North Campus Site Improvements,” “Water Supply Lines.” This title should be used even if the current year request includes only design or equipment funds. The title should remain the same for the life of the project
 - 5. Indicate whether the project is included in the agency’s master facilities plan. If the agency does not have a current master facilities plan, insert “N/A”.
 - 6. Specify the subdivision (county or Baltimore City) and State election district where the project is located.
 - 7. Insert the net square feet (NSF) and the gross square feet (GSF). Square footage data should correspond to that shown on the Cost Estimate worksheet.

8. Provide actual or estimated dates (month and year) for each of the project milestones listed under this item. Indicate the actual or estimated number of months required to design the project, measured from the date the A/E contract is approved by the Board of Public Works to the date the 100% construction documents are approved by the procuring agency. The project completion date should be the date that actual occupancy is anticipated. These dates should correspond to the dates shown on the Cost Estimate Worksheet.
9. “Date submitted” should usually be June 30th of the year the form is submitted. If the form is revised, insert the date of the revision and the abbreviation “REV”. If the request is a supplemental submitted later in the budget cycle, insert the date of the supplemental request and the abbreviation “SUP”.
10. Specify a priority number for each project starting with #1 for the most urgent. A department or agency, which has two or more units submitting capital project requests, must submit a separate priority list which integrates the priorities of all of its units.
11. Insert program approved dates. Dates should represent actual approval dates.
DO NOT ENTER ANTICIPATED DATES.
12. Report the estimated project costs in accordance with the principal cost components listed on the form. Cost data should be taken directly from the Cost Estimate Worksheet if applicable and rounded to the nearest \$1,000.
 - a. Enter in the first column on lines A through E the amount of funds being requested for the current year in each cost category, regardless of fund source. For example, if \$500,000 is needed for planning in the current year, of which \$250,000 is requested from the State and \$250,000 from another source, enter \$500,000 on line B. For any cost category for which no funds are needed in the current year, enter “0”. Specify what “Other” activity is.
 - b. Enter in the first column on line F the total of the amounts shown on lines A - E in that column.
 - c. Enter in the first column on lines G to K the amount of line F being requested from State capital funds.
 - d. Enter in the first column on line L the remainder, which results from subtracting the amount on lines G to K from the amount on line F.
 - e. Enter in the first column on line M the total of the amounts shown

on lines G to L in that column.

- f. Repeat steps a through d for the “Prior Appropriations” and “Future Requests” columns, showing in those columns the amounts previously provided for the project and the amounts to be provided in the future, respectively.
- g. The totals column should be used to total the entries on each of the lines. Check to make sure that the amount on line F equals the sum of the entries in the total column on lines A through E and that the amount on line M equals the sum of the entries in the total column on lines G through L.
- h. **NOTE:**
 - 1) Line E (“Other”) should be used only for cost items that are not part of a typical project’s cost such as an archaeological excavation or an FDA certification procedure. Those costs should be identified on the cost estimate worksheet.
 - 2) Surveys and borings are included as a planning cost; construction inspection and testing costs are included under construction.
 - 3) Line L (“Non-State Funds”) should be used if any capital costs are being funded by local, private, or institutional sources. In such cases, indicate the fund source and date of availability in the space provided.

- 13. In the final analysis, recommendation of a project for inclusion in the State’s capital budget depends upon the adequacy and soundness of the agency’s justification. The detailed project justification should be included in the program statement. However, not all readers of the completed Form A will have access to the program, or a program may not have been completed at the time the Form A is submitted.

Describe and justify the project in sufficient detail to indicate clearly the nature of the work to be funded. Describe the problem which exists and how the proposed project will remedy the problem. Include type of construction, capacity (number of beds, cells, etc.) if relevant, and other pertinent details. For site acquisition or development, include acreage if known. For utility lines, include approximate linear footage if relevant and if known. Square footage data should correspond to that shown on the Cost Estimate Worksheet.

Therefore, provide a concise and clear rationale for the project in item 13.

Additional pages may be attached if necessary.

II. FORM B -- SUMMARY OF AGENCY PROJECT REQUESTS

- A. Form B is a summary sheet. All projects requested by an institution or agency for the next capital budget and those proposed for the four subsequent fiscal years shall be summarized on this form. This summary constitutes a continuing five-year capital improvement program as requested by the institution or agency.
- B. Each year the five-year capital improvement program must be updated to take into account:
 - 1. Any project previously requested for the capital budget for which an appropriation was not provided;
 - 2. Necessary revisions in the cost and/or timing of previously requested projects as may be dictated by changed conditions; and
 - 3. Additional project needs.
- C. Items of information requested on Form B
 - 1. Items 1-3: Entries for agency and sub-agency should match entries on Form A.
 - 2. Item 4: All projects proposed by an agency or by an institution to be partially or wholly funded during the next five fiscal years shall be listed in this column, in order of priority, starting with the projects requested for the next capital budget and followed by those proposed during the four subsequent fiscal years. Space is provided for three projects per page. Enter the priority number for each project in the narrow column at the left margin of Form B. Indicate for each project, on the lines provided, the cost for property acquisition, planning, construction (including utilities and site improvements), and capital equipment, inclusive of all fund sources. Total those costs on the line provided.
 - 3. Item 5: Show any non-State funds available or anticipated for the project listed in item 4, such as federal aid, revenue bond proceeds, or institutional funds. Show separately the amounts of non-State funds available for property acquisition, planning, construction, and capital equipment.
 - 4. Item 6: Indicate any prior appropriations of State funds for the project listed in item 4. List separately the appropriations for property acquisition, planning, construction, and capital equipment.

5. Items 7 and 8: Enter the amounts required for the project listed in item 4 in the appropriate column(s) for the fiscal year(s) that an appropriation is desired. Show separately the amounts required for property acquisition, planning, construction, and capital equipment in each year. The total of the amounts shown in items 5, 6, 7 and 8 should equal the total in column 4 unless additional funds will be requested beyond the five-year time frame of Form B.
6. Item 9: On the last page of the listing, total the amounts of State capital funds to be requested for each fiscal year.
7. A department or agency with sub-units should submit a separate Form B for each sub-unit listing all projects proposed by the department for the sub-unit in order of priority assigned by the department.

**III. FORM D1 -- SURVEY OF PRIVATE USE OF TAX EXEMPT FINANCING
(EXCLUDING HIGHER EDUCATION)
FORM D2 -- PRIVATE USE OF TAX EXEMPT FINANCED HIGHER
EDUCATION FACILITIES**

1. The relevant form should be submitted for each capital project requested in the five-year CIP. The forms relate to limits the Internal Revenue Service (IRS) places on financing capital projects using tax exempt bonds. The main role of the Office of Capital Budgeting in this will be to evaluate projects and identify possible projects for further action by the Treasurer's office and the State's bond counsel.

The IRS limits relating to uses, benefits and payments of capital projects are frequently called Bad Money, because the State can be penalized significantly if private or Bad Money use exceeds five percent of bond issue proceeds. The original private uses and private payments, or loans to private users are not the only time when the limits are critical. Changing or increasing private uses of a project can also create a problem because Federal tax law essentially prohibits changes that lead to limited uses during the term of the bonds with certain narrow exceptions.

The federal government has always placed limits on the use of tax exempt financing; prior to the tax reform of 1986, the limit was 25 percent. Maryland's current limit is five percent so this matter has come under greater scrutiny.

Responses to this survey that indicate that there will be private use and private payment mean that the project may fall within the limit, and a more detailed investigation may be needed to determine exactly how much bad money is in the project.

2. The first survey form (CB Form D1) applies to projects that are not Higher Education Facilities; the second form (CB Form D2) is for Higher Education Facilities. Complete the survey form that applies to each individual project.

IV. FORM F -- NET EFFECT ON OPERATING BUDGET OF AGENCY

1. The net effect of a capital project on an agency's operating budget is an important component for the analysis of that project. Form F is used by each agency to present data in a consistent manner statewide. It is not necessary to complete this form if the project consists solely of equipment purchases or land acquisition.
2. Form F is a summary of the net operating impact over the next five fiscal years by category. The agency is requested to use current dollars and enter the data beginning in the fiscal year the project is estimated to open, prorating the numbers for partial years. The data should then be projected over the following fiscal years without an inflation allowance. Do not include the debt service of the bonds issued to fund the project. Include a breakdown of general, Federal, and special funds, if applicable. The one-time costs required for a capital project, initial supplies/materials and equipment should be listed for only the first fiscal year-unless multiple-year financing will be used for the purchases, in which case the annual payments should be shown until the debt is retired. Initial equipment costs should not include capital equipment, which is shown on Form A (line D).
3. An agency may not have the necessary detail to accurately complete this form before a part II program has been approved. In such cases, it is appropriate to use general rules of thumb, square foot calculations, or percentage formulas. For example, if \$3.00 per square foot is the agency's average cost of electricity, it may be used to calculate the anticipated increase in electricity costs associated with a project. These forms should be updated each year as more detailed information becomes available.
4. DBM analysts in their review of capital projects will use this information. It also will be included in the package presented to the Department of Legislative Services. Only the total net operating budget impact (bottom line costs) for projects included in the annual capital budget will be included in the published capital budget volume of the State's annual budget.
5. Please remember that these forms are used to provide an estimate of the net effect on the operating budget. If increased costs resulting from this project are to be offset, in whole or in part, by savings in other costs, it is essential that those savings also be reported on these forms.

V. FORM G - EQUIPMENT AND FURNISHINGS REQUEST

1. This form is used to list all items of equipment and furnishings, which are needed to make a project operational, regardless of projected fund source. The form contains space to report 25 items per page.
2. Two copies of this form should be submitted to the Department of Budget and Management by June 30th of the year in which the agency will submit a Form A requesting construction funds for the project. Of the two copies, one should be sent to the Office of Capital Budgeting, and one to the Office of Budget Analysis.
3. On each page, at the top, complete the lines for agency, (name of) project, and fiscal year. The fiscal year is the year in which capital equipment funds will be requested.
4. On each item line, list an item along with a suggested manufacturer and product number, if available. Remember that State law specifies that State Use Industries products must be acquired if available even if at a greater cost than available from a private vendor.

For items which vary in size, include dimensions if available. Include weight of each item if available. Complete the Requested columns for quantity, net unit cost, and total cost. Note that total cost equals quantity times net unit cost. Round all costs to the nearest dollar.

5. At the bottom of the page, indicate the number of that page and the total number of pages.
6. Do not complete the item approval number column or any of the other Approved columns.

VI. DGS CEW - COST ESTIMATE WORKSHEET

- A. The Cost Estimate Worksheet (CEW) is used to support the funding requested for a project in the Capital Budget.
- B. Items of information requested on CEW (keyed into information on the form):

Complete the general information at the top of the worksheet. Insert the Name of the file (if applicable), Escalation % (construction cost estimates should be escalated to the midpoint of construction to account for the effects of inflation), Project Title, Project Number (Use the DGS Project Number - if assigned), Location (include County), Institution (for example: DGS, USM, MSU, DPSCS, DHMH, etc.), Estimate

Preparation Date, Prepared by, Estimate Reference Point (see note below) and Agency/AE.

Note: The Estimate Reference Point is the time frame on which the costs used to prepare the estimate are based. For example, if Means Construction Cost Data 2003 was used to estimate the costs of the project, the estimate reference point would be January, 2003. Check the estimating guide or the A/E's estimate being used to determine the reference point by which the costs are established. If prices which are quoted by supplier are used to establish the costs of the project, the estimate reference point should be taken as the date at which the supplier's quote is no longer valid.

- | | |
|----------------|---|
| Item 1 | Indicate the design phase of the project. Check the applicable block. |
| Item 2 | Indicate the type of project. Check the applicable block(s). |
| Item 3 | Indicate design period in month/year from start to completion and the total number of months (for example: JAN-03 DEC-03 12). |
| Item 4 | Indicate construction period in month/year from start to completion and the total number of months (for example: JAN-04 JUN-05 18). |
| Item 5 | Provide a brief project description. Note any special features of the project, problems which may be encountered, and any assumptions made in order to prepare the CEW. |
| Item 6 | Estimate the bid date of the project. |
| Item 7 | Based on the established project schedule, estimate the mid-point of the construction period. Allow time from project bid date to construction start date to account for award of the project and time before the contractor receives notice to proceed with construction. Enter the number of months from the estimate reference point to the mid-point of construction . |
| Item 8 | List the gross square footage for each floor of the building under the appropriate column. These figures are used to determine the structure costs for items 9A and 9B. Also, list the total net square footage (NSF) and the total gross square footage (GSF). Gross Areas are to be calculated in accordance with instructions in the DGS Procedures Manual. Show the Efficiency Factor (GSF/NSF) and Percent Efficiency (NSF/GSF x 100). For projects being requested in FY's 2006 – 2009, the cost estimate should use the minimum efficiency factor when calculating the net to gross square foot ratio. |
| Item 9* | List the project costs in the appropriate spaces. In establishing the costs for Item 9, include costs for the project's General Conditions and costs for the General Contractor's overhead and profit. Do not include any escalation costs in the base costs of the project. |

Item 10* For Item 10 use items A through F to describe the site work items that are relevant to the project and list the estimated costs for those items. Below are listed typical items to include in Item 10:

- Site preparation (grading, compaction)
- Dewatering
- Retaining Walls
- Shoring & underpinning
- Excavation support systems
- Slope/erosion control
- Paving-curbing
- Surfacing
- Lighting
- Landscaping
- Marine work
- Fencing
- Drainage
- Building Demolition

Item 11* For Item 11 use Items A through F to describe the utility items that are relevant to the project and list the estimated costs for those items. Below are listed typical items to include in Item 10:

- Water Treatment Plant
- Wastewater Treatment Plant
- Components
- Septic Systems
- Water distribution-domestic
- Water distribution-fire
- Well
- Sanitary distribution
- Steam distribution
- Electric distribution
- Telecommunications
- Emergency Power
- Utility tunnel
- Fuel systems

*Note for Items 9, 10, and 11: Generally, budget estimates are prepared using 10% for general conditions, and 15% for the general contractor's overhead and profit. In addition, a market variance may need to be applied to account for market conditions at bid time. Estimators (design) contingency may range up to 25% depending on the detail of the project information. The above factors are generally used

by DGS to adjust the basic cost as established, using Means as an estimating guide. For new building construction, item 10 and 11 portray the costs for all site work and the utility improvements in the project which are over 10 feet from the structure.

On Item 9F, include the estimated cost for information technology systems and equipment for that portion of the system installed as part of the general construction contract. Items may include common equipment such as electronic private branch exchange (PBX), fiber optic or copper vertical riser distribution cables, cable termination equipment and related wiring in wiring closets on each floor, and wire connecting the wire closet terminations to the wall jacks or other outlets to which telephone stations and computers will be connected.

On Item 9H, 10H, and 11H, list the regional construction factor for the County that the project is located in. The regional construction factor accounts for variations in the wage rates established by the Department of Licensing and Regulation as applicable to the 24 localities of Maryland. The factors for all budget types of estimates are listed below:

<u>FACTOR:</u>	<u>COUNTY:</u>
1.00	Anne Arundel, Baltimore City, Baltimore, Carroll, Harford, Howard, Montgomery, Prince George's
1.10	Calvert, Charles, St. Mary's
1.15	Allegany, Frederick, Garrett, Washington
1.25	Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, Worcester

For all submissions based on A/E design documents, the regional construction factor should be 1.0, since only applicable regional costs, based on wage and market evaluations, should be included in design estimates.

On Item 9J, 10J, and 11J determine the amount of escalation to be added to the basic project cost. Escalation is taken from the estimate reference point, established under the general items at the top of the CEW form, to the estimated mid-point of construction, established in Item 7. This time frame is multiplied by an annual escalation rate to determine the percent of escalation to be used. The amount to be inserted on Item J is equal to line I multiplied by the

percent of escalation. On item K add the subtotal of Item I with the escalation cost of Item J. The total of Items 9K, 10K, and 11K is the expected construction cost at bid.

Note: The escalation factor used for budget estimates is updated yearly and provided by the Department of Budget and Management as part of the Instructions for the Preparation and Submission of Capital Project Requests. If needed, contact the DGS Cost Center at the number indicated at the end of this document for the latest inflation allowances. The escalation factor used for design estimates should be based on market conditions and industry forecasts projected at the time the design occurs.

Item 12 Sum the amounts listed for Items 9K, 10K, and 11K. This amount constitutes the estimated construction cost as of the mid-point of construction date.

Item 13a A green building construction premium should be computed as approximately 2.5% to 3% of Item 12. This premium is for the application of costs related to the construction of a building associated with green construction practice, in conformance with LEED Silver rating principles outlined by the Maryland Green building Council. This factor can be increased or decreased, based on specific information and/or applications identified by the cost estimate preparer.

Item 13b A contingency amount is computed as 5% of Item 12. This contingency is considered a construction contingency for change orders during construction. For projects being requested in FY's 2006-2009, use a 10% contingency instead of the current 5%. When your project reaches the current year request the 10% contingency should be reduced to 5%. That 5% should be incorporated into the base cost of the structure in CEW (line 9).

Item 14 Insert an amount for Construction Inspection and Testing. Depicted below are rates applied against the sum of Item 12 and Item 13a/13b:

<u>Expected Construction Cost</u>	<u>Rate</u>
0 – 4,000,000	4.6% (0.046)
4,000,000 – 9,000,000	3.2% (0.032)
9,000,000 and greater	2.2% (0.022)

Item 15 Enter any miscellaneous costs and include a reference. These costs may be design related, i.e. value engineering, building commissioning, topographic, boundary and archeological surveys, borings, test pits, etc.

or construction related, i.e. separate but related construction contracts, utility connection fees, etc.

- Item 16** Enter a cost for the construction schedule (Use \$10,000 plus .001 of Item 12 if using a CPM, otherwise, estimate an allowance).
- Item 17a** Insert the estimated cost of the movable capital equipment request programmed for the project less the information technology equipment. (See Item 17b.)
- Item 17b** Insert the estimated cost of the information technology capital equipment (voice, video, data, and wireless) request programmed for the project. Items typically included here are equipment that have very substantial costs associated with them, such as an electronic private branch exchange (PBX) that serves a major building or buildings in a facility campus or hub servers that support a complex network of data links, even if it is intended to be part of the general construction contract work identified in 9F. If the IT work is anticipated to be handled by a separate vendor contract, then it should also include fiber optic or copper vertical riser distribution cables, cable termination equipment and related wiring in wiring closets on each floor, and wire connecting the wire closet terminations to the wall jacks or other outlets to which telephone stations and computers will be connected, that are not installed as part of the general contract. Do not include items not eligible for capital funding.
- Item 18** Enter the total amount of all basic estimated or contracted A/E services fees, including approved change orders for the project as of the date of the estimate. The typical estimated A/E fee should be 7% for new construction and 7.5% for renovation (Item 12 plus Item 13b). Fees in excess of these percentages need to be justified. (see below)
- Item 19** Enter the total amount of all estimated or contracted fees for special design services. Examples of this include special consultants for acoustics, kitchen, telecommunications and museum exhibit design services, special surveys, etc.
- Item 20** Enter the total amount of the estimated or contracted fee for green sustainable design practice. This is for the application of costs related to the design of a building associated with green construction practice, in conformance with LEED Silver rating principles outlined by the

Maryland Green building Council. The typical estimated fee should be approximately 1% to 2% of the estimated construction cost. (Item 12 plus Item 13a). This factor can be increased or decreased, based on specific information and/or applications identified by the cost estimate preparer.

Item 21 Sum the amounts listed for Items 12 through 20.

Item 22 Enter the total amount of all construction related costs from Item 21.

Item 23 Enter all prior construction funds authorized for this project.

Item 24 Enter the difference between Item 22 and Item 23.

Item 25 Enter the total amount of all design related costs from Item 21.

Item 26 Enter all prior design funds authorized for this project.

Item 27 Enter the difference between Item 25 and Item 26.

Below Item 27

Enter the Construction Cost of the Structure per Square Feet at the Mid-Point of Construction of the Project (Typically Item 9K divided by Total GSF in Item 8). Enter the Construction Cost of the Structure/Site/Utilities per Square Feet of the Project. (Typically Item 12 divided by Total GSF in Item 8). Enter the Total Project Cost per Square Feet of the Project (Typically Item 21 divided by Total GSF in Item 8).

For Additional Information: Please contact Joseph Pitruzzella @ 410-767-4397 in the DGS Project Cost Center if you have any questions on the preparation and submission of Cost Estimate Worksheets.

APPENDIX A

Blank Forms

DEPARTMENT OF BUDGET AND MANAGEMENT
CAPITAL PROJECT FY 20__ REQUEST

CB FORM A
(Effective 7/00)

1. Agency:		2. Agency Contact Person and Phone No.:		
3. Subagency:				
4. Project Title:				
5. In Agency 5-year Master Facilities Plan? Yes/No		6. Project Location (Subdivision/District):		
7. Square Footages: NSF: GSF:				
8. <u>Project Schedule</u> <u>Date</u> <div style="text-align: right; margin-right: 50px;">A/E Award:</div> <div style="text-align: right; margin-right: 50px;">Design Time: (months)</div> <div style="text-align: right; margin-right: 50px;">Construction Contract Award:</div> <div style="text-align: right; margin-right: 50px;">Completion Date:</div>		9. Date Submitted:		
		10. Project Priority: of		
		11. <u>Program Approved</u> <u>Date</u> <div style="text-align: center; margin-top: 5px;">Part I:</div> <div style="text-align: center; margin-top: 5px;">Part II:</div>		
12. Estimated Cost by Use and Source	Current Request	Prior Appropriations	Future Requests	Totals
A. Acquisition	\$	\$	\$	\$
B. Planning				
C. Construction				
D. Equipment				
E. Other				
F. Total	\$	\$	\$	\$
G. GO Bonds	\$	\$	\$	\$
H. General Funds				
I. Special Funds*				
J. Federal Funds				
K. Revenue Bonds				
L. Non-State Funds *				
M. Total	\$	\$	\$	\$
* Specify source and date available:				
13. Project Description and Justification (Include type of construction, GSF, capacities, problem and how solved, occupants, customers served, and other relevant information):				

DEPARTMENT OF BUDGET AND MANAGEMENT

Five-Year Capital Improvement Program

CB Form B
(Effective 3/97)

SUMMARY OF AGENCY PROJECT REQUESTS

1. AGENCY _____

3. DATE _____

2. SUB-UNIT _____

4. PROJECT TITLE, LOCATION, AND ESTIMATED COSTS		5. NON-STATE FUNDS	6. PRIOR STATE APPROPRIATIONS	7. REQUEST FOR STATE FUNDS IN BUDGET YEAR	8. REQUESTS FOR STATE FUNDS IN FUTURE YEARS				
PRIORITY					FY	FY	FY	FY	
<div style="border: 1px solid black; width: 20px; height: 40px; margin: 0 auto;"></div>	Title & Location								
	Costs: Property Acquisition \$								
	Planning								
	Construction								
Capital Equipment									
TOTAL	0								
<div style="border: 1px solid black; width: 20px; height: 40px; margin: 0 auto;"></div>	Title & Location								
	Costs: Property Acquisition \$								
	Planning								
	Construction								
Capital Equipment									
TOTAL	0								
<div style="border: 1px solid black; width: 20px; height: 40px; margin: 0 auto;"></div>	Title & Location								
	Costs: Property Acquisition \$								
	Planning								
	Construction								
Capital Equipment									
TOTAL	0								
9. TOTALS (Complete only on last page if more than one page is used).		N. A.	N. A.	0	0	0	0	0	

SURVEY OF PRIVATE USES OF TAX EXEMPT FINANCING		Place an X below to Respond "Yes" or "No" to Each Question	
Name of Facility:		YES	NO
#1 Will the project be part of a Higher Education facility? If "Yes", use the Higher education survey form.			
#2 Will any part of the project be funded with General Obligation Bonds?			
#3 Will the project, or any portion of it, be owned by a person or entity other than the State or its political subdivisions? If "Yes", what percentage of the project will be so owned? _____%			
#4 Will the project, or any portion of it, be leased to a person or entity other than the State or its political subdivisions? If "Yes", what percentage of the project will be so leased? _____% If #4 was "Yes" describe the terms of the lease on a separate sheet.			
#5 Will the rents exceed operating and maintenance costs?			
#6 Will the State gain any other financial interest in any lessees?			
#7 Will the project, or any portion of it, be managed or operated by a person or entity other than the State or its political subdivisions? If "Yes", what percentage will be managed or operated? _____%			
#8 Other than by lease or management contract, will any person or entity other than the State or its political subdivisions use any portion of the project, that is not a general public use? If "Yes", what percentage of the project which will be used? _____ % If #8 was "Yes", describe the nature of use on a separate sheet.			
#9 Will the use, ownership, or management of the project or any portion of the project change within five years after the project is placed in service? If "Yes", please describe the nature of the projected change on a separate sheet.			

Name of contact:

Phone Number of Contact:

Date Completed:

Private Use of Tax Exempt Financed Higher Education Facilities		
Name of Facility:		
The facility will be used for the following purposes (List approximate percentages; Total to 100%)		
Classrooms and/or labs for instruction of enrolled students		
Research		
Administration		
Other academic		
Auxiliary services (specify parking, dining, housing, etc.)		
Lease to non-university/college entity		
Other (specify)		
TOTAL	0%	
Place an X in the columns to Respond "Yes" or "No" to Each Question	YES	NO
#1 Will any part of the facility be rented, leased, or otherwise made available to any entities outside the institution?		
If "Yes", on a separate sheet describe the intended use, including percentage of building, anticipated use, and anticipated users.		
#2 Other than described in (2) above, will the facility, or any portion of the facility, be operated by an entity other than the institution?		
If "Yes", describe on a separate sheet.		
#3 Will any sponsored research activity take place in the building?		
If "Yes", answer the following.		
3-A) Will the institution's employees paid via federal contracts and grants perform the research?		
3-B) Will the institution's employees paid from other than federal contracts and grants perform the research?		
3-C) Will Non-institution employees perform the research?		
3-D) Will the agreements for sponsoring the research give the institution exclusive and complete title and ownership to the research and to all patents, licenses, technology and other legal rights to any product or technology developed from the research.?		
If 3-D) was "no", on a separate sheet, identify who will have an interest and describe the interest.		

#4 On a separate sheet, describe any revenue that will be generated from the intended use of the facility other than leases, management contracts and/or sponsored research described above.		
#5 Will any person, other than the institution's employees, faculty, staff, and students have a right to use the facility for their own purposes, other than those purposes described above? If "yes", describe on a separate sheet.		
#6 Will the use, ownership, or management of any portion of the project change within five years after the project is placed in service? If "Yes", please describe on a separate sheet, nature of the projected change.		

Name of Contact:

Phone Number of Contact:

Date Completed:

Annual Capital Budget Project Request
NET EFFECT ON AGENCY'S OPERATING BUDGET

Project: _____ Agency: _____ Occupancy Date: _____ Total GSF : _____
GSF Replaced: _____ GSF Added: _____

Category	Budget FY	Budget+1 FY	Budget+2 FY	Budget+3 FY	Budget+4 FY	Justification
# FTE Positions						
# FTE Contractual						
Salaries & Wages						
Tech. & Spec. Fees						
Communications						
Travel						
Fuel & Utilities						
Motor Veh. Ops						
Contractual Svcs.						
Supplies & Mats.						
Equipment (Repl.)						
Equipment (Addt'l.)						
Grnts, Subs. & Cont.						
Fixed Charges						
Land & Structures						
Total Expenditures	-	-	-	-	-	
General Fds. (GF)						
Special Fds. (CUF)						
Federal Fds. (CRF)						
Other Fds.()						
Total Revenues	-	-	-	-	-	

Other Comments: _____ (Attach additional sheets as needed)

EQUIPMENT AND FURNISHINGS REQUEST

REQUEST FOR FISCAL YEAR: _____

AGENCY: _____

PROJECT: _____

ITEM APPROVAL NUMBER (+)	ITEM DESCRIPTION (describe as fully as possible)	QUANTITY		NET UNIT COST (++)		TOTAL COST	
		REQ	APP (+)	REQUESTED	APPROVED (+)	REQUESTED	APPROVED (+)
-- -- 01							
-- -- 02							
-- -- 03							
-- -- 04							
-- -- 05							
-- -- 06							
-- -- 07							
-- -- 08							
-- -- 09							
-- -- 10							
-- -- 11							
-- -- 12							
-- -- 13							
-- -- 14							
-- -- 15							
-- -- 16							
-- -- 17							
-- -- 18							
-- -- 19							
-- -- 20							
-- -- 21							
-- -- 22							
-- -- 23							
-- -- 24							
-- -- 25							
				TOTAL FUNDS		\$0	

(+) To be completed by DBM

(++) Net anticipated purchase cost, i.e., catalog price less any discounts

State law requires that State Use Industries products be acquired if available.

Page _____ of _____

TO BE COMPLETED BY DBM

TOTALS FOR THIS PAGE ONLY	
CAPITAL FUNDS	OTHER FUNDS
TOTALS FOR COMPLETE REQUEST	
CAPITAL FUNDS	OTHER FUNDS

COST ESTIMATE WORKSHEET

Project Title: _____

Institution: _____

Estimate Date: __-__-__

Project Number: _____

Estimate Reference Point: __-__

Prepared by: _____

Location: _____

Agency/AE: _____

1. Design Phase: [] BUDGET; [] SCHEMATIC; [] DESIGN DEVELOPMENT; [] 50% CONSTRUCTION DOCUMENTS (CD); [] 95% CD; [] 100% CD

2. Project Type: [] NEW CONSTRUCTION; [] RENOVATION; [] MAJOR; [] MINOR; [] SITE; [] 6. Estimated Bid Date: __-__

3. Design Period: __-__ __-__ __ months (Incl. review) 7. Estimated Mid-Point: __-__ __ months from

4. Construction Period: __-__ __-__ __ months reference pt.

5. Description: _____

		Renovation	New	
8. Area (gsf)	Bsmt.	_____	_____	Total Net Sq. Feet: _____
	1st	_____	_____	Total Gross Sq. Feet: _____
	2nd	_____	_____	
	3rd	_____	_____	Efficiency Factor _____
	4th	_____	_____	Percent Efficiency _____
	5th	_____	_____	

Total _____

11. Utilities

A. _____

B. _____

C. _____

D. _____

E. _____

F. _____

G. Subtotal: _____

H. Regional Construction Factor: _____

I. Subtotal: (line g x line h) _____

J. Escalation to Mid-Point of Constructic __. __ % *

K. Subtotal (bid cost): _____

12. Subtotal (9K+10K+11K = Bid Cost): _____

13a. Green Bldg. Construction Premium: __. __ %

13b. Total Construction Contingency __. __ %

14. Inspection and Testing: __. __ %

15. Miscellaneous: _____

16. CPM/Schedule: _____

17a. Movable Equipment (Agency Estimated): _____

b. Information Technology Equipment (Agency Estimated) _____

18. A/E Basic Services Fee: __. __ %

19. A/E Special Services Fee: __. __ %

20. A/E Green Design Fee: __. __ %

21. TOTAL PROJECT COST: _____

22. Total Construction Costs & Related Cost: _____

23. Prior Construction Funds: _____

24. New Construction Funds Required: _____

25. Total Design Fees & Related Cost: _____

26. Prior Design Funds: _____

27. New Design Funds Required: _____

FY __ Request: Cost/Str @ MP

' __ Legislature \$ __/Square Foot

Planning Cost/BSU @ MF

Construction \$ __/Square Foot

Equipment Total Cost/SF

TOTAL ** \$ __/Square Foot

Fund Source: _____

(For DGS Use) _____

**Does not include costs for land acquisition.

APPENDIX B

Samples of Completed Forms

DEPARTMENT OF BUDGET AND MANAGEMENT
CAPITAL PROJECT FY 2005 REQUEST

CB FORM A
(Effective 7/00)

1. Agency: Board of Public Works		2. Agency Contact Person and Phone No.: Ms. Jane Doe (410) 767-5555		
3. Subagency: Judiciary/District Courts				
4. Project Title: New Yourtown District Court				
5. In Agency 5-year Master Facilities Plan? Yes/No		6. Project Location (Subdivision/District): Montgomery 21st Election District		
7. Square Footages: NSF: 112,102 GSF: 190,018				
8. <u>Project Schedule</u> <u>Date</u>		9. Date Submitted: 30-Jun-03		
A/E Award: Feb-05		10. Project Priority: 1 of 3		
Design Time: (14 months)		11. <u>Program Approved</u> <u>Date</u>		
Construction Contract Award: Jun-06		Part I: 4-02		
Completion Date: Jun-08		Part II: 4-02		
12. Estimated Cost by Use and Source	Current Request	Prior Appropriations	Future Requests	Totals
A. Acquisition	\$	\$ 5,000,000	\$	\$ 5,000,000
B. Planning	1,550,000		1,950,000	3,500,000
C. Construction			41,250,000	41,250,000
D. Equipment			700,000	700,000
E. Other				
F. Total	\$ 1,550,000	\$ 5,000,000	\$ 43,900,000	\$ 50,450,000
G. GO Bonds	\$ 1,550,000	\$	\$ 43,900,000	\$ 45,450,000
H. General Funds		5,000,000		5,000,000
I. Special Funds*				0
J. Federal Funds				0
K. Revenue Bonds				0
L. Non-State Funds *				0
M. Total	\$ 1,550,000	\$ 5,000,000	\$ 43,900,000	\$ 50,450,000
* Specify source and date available:				
13. Project Description and Justification (Include type of construction, GSF, capacities, problem and how solved, occupants, customers served, and other relevant information): Construct a 190,000 GSF District Court facility in Yourtown. This nine-room facility will include four hearing rooms and support space to house the departments of Parole and Probation, Juvenile Justice, and General Services. The District Court currently shares leased space with the local Circuit Court and must relocate to provide adequate space for both the District Court and the Circuit Court to expand to address growing caseloads. Expansion and/or renovation of the current facility to meet the needs of the District Court is not economically feasible. Current facilities are overcrowded, obsolete, and the building systems have reached the end of their useful life and cannot be adapted to meet the requirements of modern offices. The District Court currently hears 171,000 cases per year. The building houses 28 employees and serves approximately 1,600 visitors daily.				

DEPARTMENT OF BUDGET AND MANAGEMENT

Five-Year Capital Improvement Program

CB Form B
(Effective 3/97)

SUMMARY OF AGENCY PROJECT REQUESTS

Department of Labor, Licencing & Regulation

6/30/2003

1. AGENCY

3. DATE

Division of Employment and Training

2. SUB-UNIT

4. PROJECT TITLE, LOCATION, AND ESTIMATED COSTS		5. NON-STATE FUNDS	6. PRIOR STATE APPROPRIATIONS	7. REQUEST FOR STATE FUNDS IN BUDGET YEAR	8. REQUESTS FOR STATE FUNDS IN FUTURE YEARS			
					FY 06	FY 07	FY 08	FY 09
PRIORITY								
1	Title & Location DET LOCAL OFFICE - HAGERSTON AREA <hr/> Costs: Property Acquisition \$ 150,000 Planning 150,000 Construction 1,350,500 Capital Equipment TOTAL 1,650,500	0 0 0	0 0 0	0 0 0	150,000 150,000 1,350,500			
2	Title & Location DET LOCAL OFFICE - EASTERN SHORE <hr/> Costs: Property Acquisition \$ 250,000 Planning 150,000 Construction 1,350,500 Capital Equipment TOTAL 1,750,500	0 0 0	0 0 0	0 0 0	250,000 150,000 1,350,500			
3	Title & Location DET LOCAL OFFICE - GREATER BALTIMORE <hr/> Costs: Property Acquisition \$ 300,000 Planning 150,000 Construction 1,350,500 Capital Equipment TOTAL 1,800,500	0 0 0	0 0 0	0 0 0	0 0 0	300,000 150,000	1,350,500	
9. TOTALS	(Complete only on last page if more than one page is used).	N. A.	N. A.	0	2,050,500	1,800,500	1,350,500	0

SURVEY OF PRIVATE USES OF TAX EXEMPT FINANCING		Place an X below to Respond "Yes" or "No" to Each Question	
Name of Facility: General Government Office Building		YES	NO
#1 Will the project be part of a Higher Education facility? If "Yes", use the Higher education survey form.			X
#2 Will any part of the project be funded with General Obligation Bonds?	X		
#3 Will the project, or any portion of it, be owned by a person or entity other than the State or its political subdivisions? If "Yes", what percentage of the project will be so owned? _____%			X
#4 Will the project, or any portion of it, be leased to a person or entity other than the State or its political subdivisions? If "Yes", what percentage of the project will be so leased? _____% If #4 was "Yes" describe the terms of the lease on a separate sheet.	X		
#5 Will the rents exceed operating and maintenance costs?	X		
#6 Will the State gain any other financial interest in any lessees?			X
#7 Will the project, or any portion of it, be managed or operated by a person or entity other than the State or its political subdivisions? If "Yes", what percentage will be managed or operated? _____%	X		
#8 Other than by lease or management contract, will any person or entity other than the State or its political subdivisions use any portion of the project, that is not a general public use? If "Yes", what percentage of the project which will be used? _____ % If #8 was "Yes", describe the nature of use on a separate sheet.			X
#9 Will the use, ownership, or management of the project or any portion of the project change within five years after the project is placed in service? If "Yes", please describe the nature of the projected change on a separate sheet.			X

Name of contact: Jane Doe
Date Completed: April 15, 2003

Phone Number of Contact: (411) 370-0900

Addendum to General Office Building Survey

- #4 Will the project, or any portion of it, be leased to a person or entity other than the State or its political subdivision? If # 4 was "Yes" describe the terms of the lease on a separate sheet.

The project is a 20,000 square foot building office building that the Department intends to purchase. The Department plans to lease 5,000 square feet or 25 percent of the project to a current occupant of the building private mail delivery firm, Independent Postal, Inc.. Independent Postal will be using the space for customer services and general office space. Independent Postal will pay the Department \$15 per square foot per month, the firm has agreed to a two year lease with two, two-year renewal options. Independent Postal will pay all utilities associated with the leased space and any renovation costs the firm might require to occupy the building.

Private Use of Tax Exempt Financed Higher Education Facilities		
Name of Facility:		
The facility will be used for the following purposes (List approximate percentages; Total to 100%)		
Classrooms and/or labs for instruction of enrolled students		
Research		
Administration		
Other academic		
Auxiliary services (specify parking, dining, housing, etc.)		
Lease to non-university/college entity		
Other (specify)		
TOTAL	0%	
Place an X in the columns to Respond "Yes" or "No" to Each Question	YES	NO
#1 Will any part of the facility be rented, leased, or otherwise made available to any entities outside the institution?		
If "Yes", on a separate sheet describe the intended use, including percentage of building, anticipated use, and anticipated users.		
#2 Other than described in (2) above, will the facility, or any portion of the facility, be operated by an entity other than the institution?		
If "Yes", describe on a separate sheet.		
#3 Will any sponsored research activity take place in the building?		
If "Yes", answer the following.		
3-A) Will the institution's employees paid via federal contracts and grants perform the research?		
3-B) Will the institution's employees paid from other than federal contracts and grants perform the research?		
3-C) Will Non-institution employees perform the research?		
3-D) Will the agreements for sponsoring the research give the institution exclusive and complete title and ownership to the research and to all patents, licenses, technology and other legal rights to any product or technology developed from the research.?		
If 3-D) was "no", on a separate sheet, identify who will have an interest and describe the interest.		

#4 On a separate sheet, describe any revenue that will be generated from the intended use of the facility other than leases, management contracts and/or sponsored research described above.		
#5 Will any person, other than the institution's employees, faculty, staff, and students have a right to use the facility for their own purposes, other than those purposes described above? If "yes", describe on a separate sheet.		
#6 Will the use, ownership, or management of any portion of the project change within five years after the project is placed in service? If "Yes", please describe on a separate sheet, nature of the projected change.		

Name of Contact:

Phone Number of Contact:

Date Completed:

Addendum to University Services Center

- #1 Will any part of the facility be rented, leased, or otherwise made available to any entities outside the institution? If "Yes" on a separate sheet describe the intended use, including percentage of building, anticipated use, and anticipated users.

The project is to build a multi-use center. The University will lease 35,000 square feet or 35% of the building to a private grocery company, Goods Food, Inc. Goods Food will be using the space for customer services and general office space. Goods Food will pay the Department \$15 per square foot per month, the firm has agreed to a two year lease with five, two-year renewal options. Goods Food will pay all utilities associated with the leased space and any renovation costs the firm might require to occupy the building.

-
- 3D) Will the agreements for sponsoring the research give the institution exclusive and complete title and ownership to the research and to all patents, licenses, technology and other legal rights to any product or technology developed from the research? If 3D) was "No", on a separate sheet, identify who will have an interest and describe the interest.

The University is sponsoring pharmaceutical research. Pharmax, Inc. the primary contractor in the research, will own no less than a majority interest in any patents, licenses or titles of products or technology resulting from the research; the University will, however, retain no less than 10 percent of any resulting proceeds from the research. The exact amount of the University's interest is still under negotiation.

-
- #4 On a separate sheet, describe any revenue that will be generated from the intended use of the facility other than leases, management contracts and/or sponsored research described above.

The University will lease 15,000 square feet to Students, Inc. a group of students who will operate a bowling alley. The university will receive 25% of the gross revenue from the bowling alley's operations.

-
- #6 Will the use, ownership, or management of any portion of the project change within fifteen years after the project is placed in service? If "Yes", please describe on a separate sheet, nature of the projected change.

The University is considering sale of the building to Pharmax depending on Pharmax's acceptance of the option on its lease. Should Pharmax choose not to renew its lease, the University would consider converting the building into a conference center.

Annual Capital Budget Project Request
NET EFFECT ON AGENCY'S OPERATING BUDGET

Project: Sample Building Agency: Department Example Occupancy Date: Dec-06 Total GSF : 50000
GSF Replaced: _____ GSF Added: 10000

Category	Budget FY 05	Budget+1 FY 06	Budget+2 FY 07	Budget+3 FY 08	Budget+4 FY 09	Justification
# FTE Positions			2	5	5	
# FTE Contractual					1	
Salaries & Wages			45,000	150,000	157,000	Based on FTE's @ \$30,000/year
Tech. & Spec. Fees					25,000	Contact Instructors @\$25,000
Communications			5,000	10,000	12,000	Telephone, Postage, Data Communications
Travel			500	1,000	1,000	Impact of additional personnel
Fuel & Utilities				9,000	9,000	Based on 10,000 st @ \$1/sf
Motor Veh. Ops				85,000	10,000	Acquisition and maintenance of training vehicles
Contractual Svcs.				5,000	5,000	Housekeeping , Service contracts, DP expenses, repairs
Supplies & Mats.			2,500	5,000	6,000	Administration and Training materials
Equipment (Repl.)						
Equipment (Addtl.)						
Grnts, Subs. & Cont.						
Fixed Charges						
Land & Structures						
Total Expenditures	<u>-</u>	<u>-</u>	<u>53,000</u>	<u>265,000</u>	<u>225,000</u>	
General Fds. (GF)						
Special Fds. (CUF)						
Federal Fds. (CRF)						
Other Fds.()						
Total Revenues	<u>-</u>	<u>-</u>	<u>53,000</u>	<u>265,000</u>	<u>225,000</u>	

Other Comments: (Attach additional sheets as needed)